GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2519
ANSWERED ON:14.12.2015
Marginal Oil Fields Policy
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to formulate new oil policy and if so, the salient features of the same along with any study if conducted to assess the impact of new oil policy on the consumers;
(b) whether the Government proposes to auction small and marginal oil fields under Oil and Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL);
(c) if so, the aims and objectives and modalities of the said policy along with number of such fields likely to be opened for competitive bidding under this framework and the quantum of crude oil and gas reserves estimated to be found in these oilfields, oilfields/company-wise; and
(d) the time by which the said oil and gas blocks are likely to be awarded to the private/foreign companies and the extent to which domestic production of various petroleum products likely to be increased on implementation of new policy, oil and gas blocks/company-wise?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) & (b) The Government has notified Marginal Field Policy (MFP) with the objective to bring un-monetised marginal fields of ONGC and OIL to the production at the earliest. The salient features of MFP are as under:-
i. Single license for conventional and non-conventional hydrocarbons
ii. Bids on a Revenue Sharing Contract (RSC) Model.
iii. Freedom to sell the crude oil exclusively in domestic market through a transparent bidding process on arms length basis.
iv. Freedom for pricing and allocation of gas produced from a cluster / field / discovery on arms length basis.
v. Royalty rates applicable under New Exploration Licensing Policy (NELP) regime. No cess on crude oil.
vi. Exemption from custom duty on all machinery, plants, equipments, materials and supplies related to petroleum operations as applicable in NELP.
vii. Up to 100% participation by foreign companies, joint ventures will be allowed.
(c) & (d): The Government has made this policy with sole objective to bring un-monetised marginal fields of ONGC and OIL to the production at the earliest. In-place reserves in these identified discoveries/fields constitute about 1.0%(88 MMT) of the total in-place reserves (8657 MMT) of Oil and Oil Equivalent Gas (O+OEG) held by ONGC and OIL as on 01.04.2014. The details are at Annexure-I.
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